



Commonwealth  
of Massachusetts

## OCPF Online

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Office of Campaign and Political Finance

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### MEMORANDUM

To: Statewide Candidate Committees Participating in Limited Public Financing  
From: Michael J. Sullivan  
Subject: Surplus Funds: Application of the Pay-Back Formula

Section 9 of the limited public financing law, M.G.L. c.55C, provides a formula which requires committees to pay back a portion of the public financing funds received **if** the committee has excess funds as of the date of the primary or general election, whichever is applicable. This memorandum outlines the various factors which affect the pay-back formula.

The formula to determine the pay-back of excess public financing funds is:

**Surplus Balance**

**X**

**Public Finance Received**  
**Public Finance Received + Contributions**

**Surplus Balance** equals:

(a) the total of the following amounts as of the date of the primary or general election, whichever is applicable:

- (1) cash on hand (e.g. petty cash);
- (2) contributions received but not deposited;
- (3) accounts receivable (e.g. refunds/deposits from telephone, utility, rental properties)<sup>1</sup>;
- (4) the cost of capital goods greater than \$1,000 acquired during the primary or election;
- (5) the balance remaining in all committee accounts (e.g. depository, savings, money market);

<sup>1</sup>Any expenditure which does not comply with M.G.L. c. 55, 55C or 970 CMR 1.00-4.00 must be included in this category. OCPF will use reasonable efforts to determine, within the time frame prescribed by section 9, whether any expenditure made by the committee does not comply with applicable law and regulation. Such determinations are subject to change based upon additional information or review.

minus:

- (b) the amount of any outstanding liability incurred during the election cycle to defray campaign expenditures used during the primary or general election.

**Public Financing Received** equals all public funds which a statewide candidate received pursuant to the provisions of M.G.L. c. 55C for the primary or general election campaign whichever is applicable.

**Contributions** equals:

(a) **Primary election campaign:** the committee balance as of January 1, 2005, or the opening of the committee's depository account whichever is later plus the total of all contributions deposited since then and the total of all contributions received but not yet deposited in the candidate's depository account after such date.

(b) **General election campaign:** the committee balance as of the day after the primary election plus the total of all contributions deposited since then and the total of all contributions received but not yet deposited in the candidate's depository account after the primary election.

Any refunds, returned contributions, interest earnings or transfers from savings accounts, money market or other accounts into the depository account which are listed on Form CPF D106 should not be used in calculating contributions.